

OFFICE OF THE GOVERNOR
Governor Chet Culver ★ Lt. Governor Patty Judge

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WATERLOO HOUSING DEVELOPMENT AWARDED NEARLY \$3 MILLION IN TAX CREDITS

Housing Tax Credits Aid Counties Impacted by 2008 Floods

DES MOINES – Governor Chet Culver announced today that the state of Iowa will award nearly \$2,859,860 million in Housing Tax Credits to finance the creation of 56 new units of affordable housing in Waterloo. The award was made with a special allocation of Housing Tax Credits that the state of Iowa received to assist counties impacted by last year's historic storms and floods.

"Last summer's floods caused a loss of housing in Black Hawk County, and today's action will help meet their needs," Governor Culver said. "I'm committed to helping Waterloo-area residents rebuild vital resources and provide better access to safe, decent and affordable housing. Today's award means we're another step closer to realizing a better, stronger Iowa."

Called Liberty Manor, this housing development is located at 1119 Kent Circle in Waterloo. The allocation of tax credits will enable the acquisition and rehabilitation of the property to create 56 affordable units for older residents. Cardinal Capital Management, Inc., of Madison, Wisconsin, is the housing developer.

The Iowa Finance Authority (IFA) has administered the federal Tax Credit program since its inception in 1986. Iowa received an additional allocation of Housing Tax Credits when Congress passed the Title VII Heartland Disaster Relief Act in October 2008. These credits total more than \$600 million and are available through 2010. Projects in counties that were declared Presidential Disaster Areas are eligible to receive tax credits from the special allocation. IFA accepts applications for Housing Tax Credits on an ongoing basis.

Developers who receive tax credits sell them to corporate investors to generate equity for the housing developments. The tax credits provide a dollar-for-dollar reduction to the investor's federal tax liability on ordinary income. Most investors realize a double-digit return on their tax credit investment.

In its history, the Housing Tax Credit program has enabled the development of nearly 19,000 units of affordable housing units in Iowa.

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